

# *SRC Key Initiatives*

## Getting Washington Back to Work

Final 2004



### **Regulatory Reform**

*"Washington has a huge bureaucracy invested in creating and maintaining a complex web of regulations with little incentive to make it easier for people. The regulatory environment in Washington ranges from unfriendly to hostile."*

With a single-minded focus on creating jobs and encouraging businesses to expand with confidence in Washington, Senate Republicans have made significant progress in improving the state's competitiveness—but we still have a long way to go, especially in the area of regulatory reform.

Washington's complex regulatory system is a long-standing complaint across business sectors.

On average, a single business owner with no employees must comply with 35 sets of regulations from 18 different local, state and federal agencies. If that business owner creates just one job, the number jumps to 58 sets of regulations enforced by 28 different agencies—altogether making more than 100,000 regulatory requirements.

A recently released study of competitiveness released by the Beacon Hill Institute ranked Washington as the 5<sup>th</sup> most competitive state in the nation overall. However we ranked a dismal 38<sup>th</sup> in government and fiscal policy.

The US Small Business Administration's Office of Advocacy works with regulators at both the state and federal level to develop workable compromises to help businesses comply with necessary health, safety and environmental regulations in the least costly and least time-consuming manner.

Senate Republicans believe this model can be replicated at the state level to streamline government regulation without sacrificing a safe and healthy workforce or a beautiful natural environment.

## **STREAMLINING REGULATIONS, REDUCING RED TAPE**

### **Challenging state regulations in counties other than Thurston County (HB 2598)**

This bill saves individuals and businesses time and money by giving them increased flexibility to challenge onerous state regulations in more courts around the state. Previously people could only challenge rules in Thurston County Superior Court. Now they have several locations across the state, including Thurston, Spokane, Yakima and Whatcom counties. To prevent, “venue shopping,” the location of the individual’s home or principal place of business dictates where he/she can make the challenge in court.

**(SB 6491)**

**Testified For:** Governor’s office, NFIB, Independent Business Assn., AWB, Farm Bureau.

**Testified Against:** None.

**Status:** Signed into law.

**Note:** In 2003 the Legislature passed ESHB 1530, which allowed a petitioner to seek a declaratory judgment challenging an agency rule in the superior courts of Clark, Spokane, or Whatcom counties, in addition to Thurston County. The Governor vetoed the legislation, but in his veto message suggested other possibilities. This year’s bill drops Clark County but adds Whatcom County.

### **Modifying business notification of changes in agency rules (HB 2683)**

This bill makes four key changes to the Administrative Procedure Act:

1. When an agency has filed a statement of inquiry (or notice of an upcoming change), the agency can now send a copy to anyone who has requested these statements.
2. A pilot project is created for 10 agencies to file copies of a proposed rule to the Joint Administrative Rules Review Committee electronically for a period of four years.

3. Agencies must now update the roster they are required to maintain for request of notification of interpretive and policy statements on a periodic basis instead of a yearly basis.

4. Under the expedited rulemaking procedure, agencies must now send a copy or a summary of its proposal to all people requesting the information. **(SB 6306)**

***Testified For:*** Governor's office.

***Testified Against:*** None.

***Status:*** Signed into law

**Delaying the implementation of significant agency rules (ESB 5052)**

This bill protects businesses and people by requiring significant new agency rules to sit through a full legislative session before they are adopted to allow the Legislature to determine whether or not the regulation fits within the policy set by the Legislature.

***Testified For:*** AWB, Permegas, AWC, Assn. of Counties.

***Testified Against:*** Mike Freeman, WA Public Interest Research Group, Labor Council.

***Status:*** Passed Senate 38-10, died in House State Government Committee.

**Prohibiting state regulations from exceeding federal standards (SSB 5053)**

For years, businesses and individuals have had to comply not only with federal standards, but also state standards that may be different. When dealing with multiple locations, this task can be time consuming and expensive. This bill requires legislative approval for significant new agency rules that exceed federal standards. Agency requests to exceed federal standards must include a reasoned justification and a cost-benefit analysis.

***Testified For:*** AWC, Assn. of Counties, Assn. of General Contractors, AWB, Permegas, NFIB.

***Testified Against:*** WA Public Interest Research Group, Labor Council, Governor's office, Environmental Council.

***Status:*** Passed Senate 26-23, died in House State Government Committee.

**Requiring specific authority from the Legislature for new rules (ESB 5255)**

The Washington Administrative Procedure Act requires that new regulations should not be based solely on a section of law stating the intent or purpose of the law. Despite this, state agencies continue to develop new regulations based on a phrase, definition or intent section, resulting in such overarching rules as ergonomics. This bill clearly outlines that 35 state agencies cannot create new regulations without specific authority from the Legislature.

***Testified For:*** Farm Bureau, McDougall and Sons, Horticulture Assn., Bracey and Thomas P.S. Corp, NFIB.

***Testified Against:*** Governor's office, People for Puget Sound.

***Status:*** Passed Senate 31-17, died in House State Government.

**Requiring significant agency regulations to be signed by the governor (ESB 5257)**

This bill holds the Governor accountable for his agency appointees by requiring his signature on all significant state agency rules, where the agency director is appointed by the governor. Estimates put this at 75-90 rules a year.

***Testified For:*** AWB, Farm Bureau, Middle Fork Enterprises, Bracy and Thomas P.S. Corp., NFIB.

***Testified Against:*** Governor's office.

***Status:*** Passed Senate 34-13, died in House State Government Committee.